

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE EASTERN DISTRICT OF PENNSYLVANIA

3 NATIONAL HEALTHCARE
4 SERVICES, INC.,

Plaintiff,

5 - vs -

6 PENN TREATY AMERICAN
7 CORPORATION, et al.,

Defendants.

CIVIL ACTION

NO. 02-CV-3600
(MM)

8 Tuesday, October 14, 2003

9
10 Realtime videotape
11 deposition of NEAL A. FORMAN, in his
12 individual capacity, and Rule 30 (b)(6)
13 realtime videotape deposition of NATIONAL
14 HEALTHCARE SERVICES, INC., taken through
15 its representative NEAL A. FORMAN, held
16 in the law offices of BALLARD, SPAHR,
17 ANDREWS & INGERSOLL, LLP, 1735 Market
18 Street, 42nd Floor, Philadelphia,
19 Pennsylvania 19103, on Tuesday, October
20 14, 2003, beginning at 9:33 a.m., before
21 Kimberly A. Cahill, a Registered
22 Professional Reporter and Approved
23 Reporter of the United States District
24 Court.

ESQUIRE DEPOSITION SERVICES
15th Floor

1880 John F. Kennedy Boulevard
Philadelphia, PA 19103
(215) 988-9191

PLAINTIFF'S
EXHIBIT

I

NEAL A. FORMAN

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1 effective, is it not true then that Mr.
2 Callahan actually has a 50 percent
3 ownership interest in National Healthcare
4 Services?

5 A. After Herb Schwartz resigned
6 and turned his stock back into the
7 corporation, then it would grant Michael
8 50 percent and I would end at 50 percent.

9 Q. Okay.

10 And I don't see any mention
11 here of voting or nonvoting or any -- any
12 other restriction here.

13 Is it your understanding
14 that Mr. Callahan currently -- currently
15 own -- owns 50 percent of the voting
16 stock at this point?

17 MR. LYONS: Objection to the
18 form and objection to counsel's
19 characterization of the document.

20 THE WITNESS: In an answer
21 to this, I believe this was after
22 the termination; that Herb decided
23 that he did not want any position
24 in the company and he wanted to be

NEAL A. FORMAN

32

1 relieved of any responsibility, so
2 he is -- to my knowledge, Michael
3 Callahan has never had any say in
4 the running of this company, ever.

5 BY MR. YOHAI:

6 Q. I think you're answering a
7 different question.

8 A. Okay.

9 Q. My question --

10 A. Okay.

11 MR. LYONS: Objection.

12 BY MR. YOHAI:

13 Q. If you can concentrate on my
14 question, my question was, is it your
15 understanding that Mr. Callahan currently
16 has 50 percent interest, a voting
17 interest or a nonvoting interest in
18 National Healthcare Services?

19 A. To my knowledge, to this
20 day, as of this hour, I believe he still
21 has a nonvoting interest --

22 Q. A nonvoting --

23 A. -- because I'm not -- if
24 this was executed, then I would say